

Speech of Mr. D. Gankhuyag, Member of Parliament of Mongolia, Minister for Mining of Mongolia

6th EITI Global Conference, Sydney, March 22-24, 2013

Dear madam Clare Short,

Distinguished Ladies and Gentlemen,

Dear Delegates,

We are very pleased to be here, in EITI Conference. We express our gratitude to you, EITI International secretariat, and to the Government of Australia for successful organization of this Conference, creating opportunities to us to be here.

On behalf of Mongolian Government and myself, I greet all of you, wish all best for conference and successful participation to all.

It took quite long time since 2006 when Mongolia has joined and being implemented EITI. For this time, we have produced 6 EITI Reconciliation reports, a number of companies and Government bodies reporting for EITI and participating in EITI Reconciliation is increasing, тайлан гаргах, payments and revenues of extractive industries have been disclosed on sustainable basis. As result of this implementation a transparency in our country has become irreversible, real standard, and integral part of Government and companies daily work. This is not a transparency for openness, but this is greater measures of Good governance to better Government and company performance, to remedy financial and accounting shortcomings, and prevent corruption. EITI has a positive input to improve domestic and foreign investment environment.

Extractive industries have very important role in Mongolia economies. The share of extractive industries in Mongolian 2012 export was 82% and made significant contribution in national earnings. As this figure grows, our country may fall into high dependence of mineral resources revenues, it is very important that we have to diversify economies and avoid “resource curse”.

We have launched a legal reform of extractive industries. We have prepared the State policy in mineral resources till 2016 and ready to submit to State Great hural (Parliament). As this document stipulates we will amend mining law, petroleum law and this sector related legislation within this year. Within this time, we are glad to inform all you, that we will submit

a draft law on EITI. A law will set up EITI institutional framework, define functions, will regulate all relations in this regard, and decide on mechanism of financing, reporting and liabilities.

We are fully support the new EITI rule and therefore as piloting we will implement transparency of contract, license, project, production and sale in 2014 in accordance with international guidelines. For successful implementation, it is relevant to have international experience and proactive support of International Secretariat.

We are considering and preparing EITI E- reporting. More than 1500 companies operating in mineral exploring and production reported for 2012, and which is very a positive trend, but it would lead to cost and time increase, therefore E- reporting is priority. Moreover, we will be very glad to inform you that the Government report for 2012 is covering revenues from 1800 companies. The Mongolia EITI 2012 Reconciliation report will cover 200 leading companies and our National Council is scheduled to review in October 2013.

Finally, we assume that it would be very useful to include EITI into international law system, and make universal document with relevant summon as the UN instrument.

And, we wish every success to this Conference again, all the best to distinguished guests and delegates.

Thank you for attention.